



General Assembly

January Session, 2013

Raised Bill No. 1103

LCO No. 1078



Referred to Committee on JUDICIARY

Introduced by:
(JUD)

***AN ACT CONCERNING THE APPROVAL PROCESS FOR
ASSIGNMENTS OF FUTURE INCOME IN COMMON INTEREST
COMMUNITIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 47-261e of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2013*):

3 (a) The executive board, at least annually, shall adopt a proposed
4 budget for the common interest community for consideration by the
5 unit owners. Not later than thirty days after the adoption of a
6 proposed budget, the executive board shall provide to all unit owners
7 a summary of the budget, including a statement of the amount of any
8 reserves, and a statement of the basis on which such reserves are
9 calculated and funded. Simultaneously, the board shall set a date not
10 less than ten days or more than sixty days after providing the
11 summary for either a meeting of the unit owners or a vote by ballot
12 without a meeting to consider approval of the budget. If, at that
13 meeting or in the vote by ballot, a majority of all unit owners or any
14 larger number specified in the declaration votes to reject the budget,

15 the budget shall be rejected. If, at that meeting or in the vote by ballot,
16 a majority of all unit owners or any larger number specified in the
17 declaration does not vote to reject the budget, the budget shall be
18 approved. The absence of a quorum at such meeting or participating in
19 the vote by ballot shall not affect rejection or approval of the budget. If
20 a proposed budget is rejected, the budget last approved by the unit
21 owners continues until unit owners approve a subsequent budget.

22 (b) The executive board, at any time, may propose a special
23 assessment. Not later than thirty days after adoption of a proposed
24 special assessment, the executive board shall provide to all unit owners
25 a summary of the proposed special assessment. Unless the declaration
26 or bylaws otherwise provide, if such special assessment, together with
27 all other special and emergency assessments proposed by the executive
28 board in the same calendar year, do not exceed fifteen per cent of the
29 association's last adopted periodic budget for that calendar year, the
30 special assessment is effective without approval of the unit owners.
31 Otherwise, the board shall set a date not less than ten days or more
32 than sixty days after providing the summary for either a meeting of the
33 unit owners or a vote by ballot without a meeting to consider approval
34 of the special assessment. If, at such meeting or in the balloting, a
35 majority of all unit owners or any larger number specified in the
36 declaration votes to reject the special assessment, the special
37 assessment shall be rejected. If, at such meeting or in the balloting, a
38 majority of all unit owners or any larger number specified in the
39 declaration does not vote to reject the special assessment, the special
40 assessment shall be approved. The absence of a quorum at such
41 meeting or participating in the vote by ballot shall not affect the
42 rejection or approval of the special assessment.

43 (c) If the executive board determines by a two-thirds vote that a
44 special assessment is necessary to respond to an emergency: (1) The
45 special assessment becomes effective immediately in accordance with
46 the terms of the vote; (2) notice of the emergency assessment must be
47 provided promptly to all unit owners; and (3) the executive board may

48 spend the funds paid on account of the emergency assessment only for
49 the purposes described in the vote.

50 (d) Notwithstanding any provision of the declaration or bylaws to
51 the contrary, at least fourteen days prior to entering into any loan
52 agreement on behalf of the association, the executive board shall (1)
53 disclose in a record to all unit owners the amount and terms of the loan
54 and the estimated effect of such loan on any common expense
55 assessment, and (2) afford the unit owners a reasonable opportunity to
56 submit comments in a record to the executive board with respect to
57 such loan.

58 (e) Unless prohibited or otherwise limited in the declaration, if the
59 executive board proposes to enter into a loan agreement on behalf of
60 the association and to assign its right to future income as security for
61 such loan pursuant to subdivision (14) of subsection (a) of section 47-
62 244, then, in addition to satisfying the requirements of subsection (d) of
63 this section, [unit owners of units to which at least a majority of the
64 votes in the association are allocated, or any larger percentage or
65 fraction stated in the declaration, must vote in favor of or agree to such
66 assignment] the board shall set a date not less than ten days or more
67 than sixty days after satisfying the requirements of subsection (d) of
68 this section, for a meeting of the unit owners and a vote by ballot at the
69 meeting to consider approval of such assignment. If, at such meeting, a
70 majority of all unit owners or any larger number specified in the
71 declaration votes to reject the assignment, the assignment shall be
72 rejected. If, at such meeting, a majority of all unit owners or any larger
73 number specified in the declaration does not vote to reject the
74 assignment, the assignment shall be approved. The absence of a
75 quorum at such meeting shall not affect the rejection or approval of the
76 assignment.

<p>This act shall take effect as follows and shall amend the following sections:</p>
--

Section 1	<i>July 1, 2013</i>	47-261e
-----------	---------------------	---------

Statement of Purpose:

To reform the voting process used in a common interest community concerning approval of an assignment of a right to future income when used as security in a loan agreement.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]